



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION  
ACADEMIC IMPROVEMENT AND TEACHER QUALITY PROGRAMS

October 12, 2010

Honorable Jennifer Granholm  
Office of the Governor  
P.O. Box 30013  
Lansing, MI 48909

Dear Governor Granholm:

I am writing concerning the Michigan legislature's plan for allocating funds under the Education Jobs Fund (Ed Jobs) program to local educational agencies (LEAs). It is our understanding that the legislature may require that the State use Ed Jobs funds to restore previously enacted cuts in State school aid payments to LEAs and award any funds remaining after such restoration to LEAs on the basis of the State's primary elementary and secondary education funding formula. Such an allocation of Ed Jobs funds would be inconsistent with the statutory allocation requirements.

Section 101(3) of Public Law No. 111-226 requires the State to award Ed Jobs funds to LEAs either on the basis of shares under Part A of Title I of the Elementary and Secondary Education Act of 1965 or through the State's primary funding formula. In its Ed Jobs application, Michigan indicated that it would award Ed Jobs funds on the basis of its primary funding formula. Thus, the amount of Ed Jobs funding that an LEA receives should be proportionate to the amount of funding it receives under the State's primary funding formula. The statute does not permit a State to use Ed Jobs funds simply to restore prior cuts to education.

The U.S. Department of Education (Department) will thoroughly monitor each State's implementation of the Ed Jobs program. A State that has not allocated program funds in a manner that is consistent with statutory requirements would be subject to appropriate enforcement actions under the General Education Provisions Act. Such actions could include, among other things, the repayment of funds to the Department.

If you have any questions, please do not hesitate to contact me at 202-260-8230 or [Joseph.Conaty@ed.gov](mailto:Joseph.Conaty@ed.gov).

Sincerely,

Joseph C. Conaty  
Director, Academic Improvement and  
Teacher Quality Programs

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